



McDowell Corridor/Southern Scottsdale Economic Development Task Force

Recommendations to the Scottsdale City Council

Task Force Members

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Background

On May 5, 2009 the Scottsdale City Council adopted Resolution #7959 thereby establishing a McDowell Corridor/Southern Scottsdale Economic Development Task Force. Resolution #7959 recognized the McDowell corridor and southern Scottsdale's longstanding position in the community as a commercial epicenter. The area has experienced significant changes over the years with the closing of Los Arcos Mall and the relocation of several longstanding automobile dealerships. As a result, the area has experienced significant reduction in sales tax, property vacancies and reduced neighborhood services.

The McDowell Corridor/Southern Scottsdale Economic Development Task Force was established and charged to study the McDowell corridor/southern Scottsdale area and to determine how the area should be marketed as a place to live and work. The Task Force's recommendations may also serve as a tool to help market the area to those considering the area as a place to locate businesses or developments.

The 15 member Task Force was developed by each City Council member appointing two members and the Mayor appointing the Chair.

Task Force Approach

The Task Force recognized that its charge was of critical importance to the area and community as a whole. The members came to the Task Force with varying levels of public service involvement experience, area background information and economic development approaches. In order for the Task Force to meet its objective of delivering meaningful and comprehensive recommendations to the City Council, it was determined that a 3-step approach was needed:

- Step One: *Analysis*. Develop a baseline of knowledge that the Task Force would build from.
- Step Two: *Public Involvement*. Make public involvement a top priority and ask for interested parties and stakeholders to share their ideas.
- Step Three: *Recommendation Development*. Establish distinct categories for recommendations.

This comprehensive and methodical approach required significantly more time and effort than was initially contemplated. As a result, the Task Force requested an extension of the original January 1, 2010 deadline (as outlined in Resolution #7959) for the delivery of its initial recommendations. The City Council (as outlined in Resolution #8144) extended the delivery date to March 1, 2010.

Step One: Analysis

Area Analysis established a knowledge foundation for the Task Force. Some members had lived in the community for over 20 years, while some were relatively new to the area. Each member arrived to the Task Force with a common interest: to provide their time and talent in an effort to help the area prosper. As such, Step One: Analysis, was critical as it was intended to provide each member with an understanding of area history, conditions and economic impacts. The team devoted significant time to develop a baseline for the Task Force members. The following list reflects a summary of resources that was utilized by the Task Force in this effort:

Gruen 2007 Southern Scottsdale Retail/Office Study	Southern Scottsdale Community Area Plan Update
McDowell Road History	Southern Scottsdale Community Area Plan Existing Conditions Summary
McDowell Road Commercial Building Analysis	Transportation Briefing and Traffic Volume Analysis
McDowell Road Key Sites List and Map	2000 U.D Census Demographics
McDowell Road Summit Summary	2009 Demographics
McDowell Road Tax Revenue Charts	Gruen 2009 Real Estate Study
Parcel Depth and Frontage Statistics	Los Arcos Redevelopment Plan
SkySong March 2009 Update	Southern Scottsdale Investment Report
Southern Scottsdale Demographic Report	Gruen Real Estate Analysis for Southern Scottsdale

Strengths, Weaknesses, Opportunities and Threats (SWOT)

Another critical component in the analysis step was an assessment of the internal and external environment. As part of this assessment, internal environmental factors were classified as strengths or weaknesses, and external factors were classified as opportunities or threats. This analysis of the strategic environment is referred to as a SWOT analysis.

Following is a summary of the Task Force input that was derived through a brainstorming exercise in which all ideas were captured and recorded.

Internal Strengths - Attributes that are helpful to achieving the objective.

- 1990's infrastructure investment made by the City
- Cachet of Scottsdale
- Affordability of housing

- Interested citizens
- Mayor and Council support
- Land availability—large and small parcels
- Proximity to:
 - Scottsdale Healthcare
 - ASU
 - Schools
 - Indian Bend Wash
 - Sky Harbor Airport
 - Transportation—buses, public transit
 - Cross Cut Canal
 - Papago Park
 - Vibrant Downtown
- Major employers in the area

Internal Weaknesses - Attributes that are harmful to achieving the objective.

- Complex commercial zoning patterns
- Inadequate zoning for return on investment
- Zoning sustainability challenges
- Commercial zoning that is not compatible to area
- Parcels that are too small for some forms of redevelopment
- Large expanse of concrete
- Insufficient Code Enforcement activity
- Lack of positive brand
- Declining commercial base
- Departure of auto dealerships
- Inflated perception of commercial land value by some property owners
- Infrastructure that may not support future development
- Some aging housing that requires reinvestment or neighborhood programs
- Competitive economic surrounding areas
- Lack of housing alternatives to allow people to age in their neighborhoods
- Lack of diversity in housing types
- Lack of awareness of transportation options
- Inaccurate perception of demographics but, 60% of residents are less than 49 years old
- Lack of services to support households
- Diminishing resources

- Complicated and lengthy planning processes
- Current services may not support established population, i.e. small scale retail services

External Opportunities – Conditions that are helpful to achieving the objective.

- Development of a cohesive plan that fits the community
- Opportunity for businesses to work together
- Urban core focus (reverse urban sprawl)
- Municipal partnerships
- Younger demographics
- Transportation connectivity
- Maturity in development
- Transitional opportunities
- Leverage of existing public and private resources
- Revitalization of housing stock and supportive infrastructure
- Proximity to Sky Harbor
- Utilization of volunteer core
- Real-estate opportunities

External Threats – Conditions which could damage the objective.

- Possible negative impact of McDowell Road Area zoning changes on other Scottsdale areas
- Fear of regionalism dictating local decisions
- Current economic conditions (lack of funding sources)
- Lack of sunset/performance provisions (to approved projects) that ensure fulfillment of developer commitments
- Lack of ample executive housing stock
- Limited ability to influence regional Papago Park decisions

Step Two: Public Involvement

The Task Force made public involvement a central component of its efforts. Meetings that were originally scheduled for once a month were increased to two times per month, alternating between mornings and evenings. A public input section of the Task Force website was established that allowed interested parties to provide instant input that went

directly to each member. A letter inviting each property owner and business operator along McDowell Road was distributed to over 700 addresses advising of the Task Force meetings, website and opportunities for getting involved. There was one response. On January 21st, 2010, more than 50 property owners were invited to share their ideas, hear about proposed opportunities and ask questions of Aaron Gruen of Gruen and Associates regarding real estate conditions and projections. Seven owners or their representatives attended. And finally, two open houses took place on February 3rd, 2010 (8 a.m. to 10 a.m. and 5 p.m. to 7 p.m.). Area business operators and owners and residents, totaling over 8,000 direct invites, were asked to review the Task Force recommendations and share their thoughts (attendance figures not available at time of report compilation).

Idea Forums

Several meetings, or *Idea Forums*, were held to encourage interested parties to share ideas, visions or concepts for the area. The following presentations were made to the Task Force: Habitat for Tomorrow-a model for community and economic development; an 8000 seat multi-use entertainment arena; biomedical and technical research park; a Green Street proposal to establish a Neighborhood Electric Vehicle (NEV) friendly corridor; a development island on McDowell Rd, between 68th Street and Scottsdale Road; Canalscape, a concept to transform canal space into mixed uses; Epicenter-creating an environment of sustainable and environmentally friendly businesses; hotel/resort at the northeast corner of 64th Street and McDowell; LINKS area analysis and considerations; and Discovery Triangle.

While the Task Force was not charged with evaluating or making recommendations on specific proposals, the Idea Forums provided a creative environment to explore opportunities and determine what elements could turn ideas into realities.

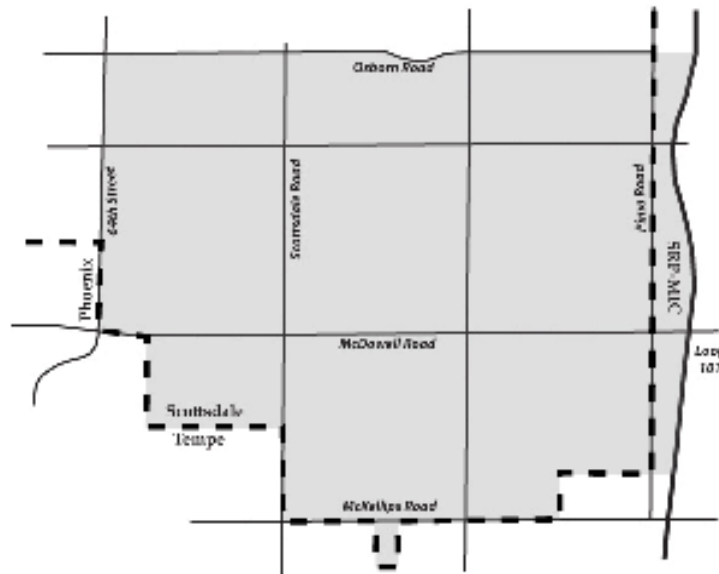
Step Three: Recommendation Development

In developing recommendations, the Task Force first determined specific areas or categories to align with recommendations:

1. Vision/Target Market Position
2. Area Infrastructure and Amenities
3. City Efforts to Promote Redevelopment and Attract/Retain Businesses
4. Neighborhood Involvement

Task Force Recommendations

The boundary for the recommendations established by the Task Force includes the area from Osborn to Tempe city limits to the south, Phoenix city limits to the west, and Salt River Pima Maricopa Indian Community to the east:



Vision

To develop the vision, the Task Force considered Southern Scottsdale 1950's post-war legacy as a community of strong, close-knit neighborhoods. Given today's trend to embrace and to revive the rich history of the past, Southern Scottsdale can experience a renaissance that will capitalize on its existing technology, education and employment core, its diverse housing options, and its opportunities to attract mixed uses which include retail and entertainment.

Vision Statement

The Southern Scottsdale McDowell corridor will surpass its original greatness as a place to live, work and play.

Target Market Position

1. The Task Force recommends that a unique and identifiable brand be developed with input from local residents and interested stakeholders.

2. The brand should capitalize on the following prioritized list of assets:
 1. SkySong/General Dynamics
 2. Downtown Scottsdale
 3. Salt River Pima Maricopa Indian Community
 4. Phoenix Zoo/Desert Botanical Garden (Papago Park)
 5. ASU/Tempe
 6. Sky Harbor Airport
3. Regional partnerships should be explored with Papago Park and the Salt River Pima Maricopa Indian Community in area revitalization efforts.
4. A cost/benefit analysis should be performed on recommendations where applicable.

Area Infrastructure and Amenities

1. Existing and future infrastructure should continue to be evaluated to ensure sufficient capacity exists to support revitalization.
2. Should additional infrastructure improvements be necessary, they should be funded by a combination public/private partnership.
3. The Task Force encourages that the following prioritized concepts/proposals be investigated more thoroughly:
 1. 64th and McDowell Hotel/Resort to be located near the Papago Park area.
 2. Multipurpose event center on city owned land adjacent to SkySong. Event center is an approximately 8000 seat arena designed for sports, special events, concerts, etc.
 3. Canalscape; transforming the canal area north of McDowell, east of 64th Street into a mixed use development.
 4. Biomedical/Technical Research Park. Location not specified.
 5. Annexation of northern portion of Papago Park and realignment of McDowell Rd to accommodate revitalization of amphitheater on the southern butte.
 6. Exploration of revenue sharing for auto retail and employment with the Salt River Pima Maricopa Indian Community for the portion of land west of the 101 and north of McDowell.
4. The Task Force supports Scottsdale Community College's acquisition of a portion of the site at the southwest corner of Pima and McDowell Roads for its Fire Sciences Program.

5. The Task Force recommends that the city continue to develop the strongest possible transportation corridor between downtown Tempe and downtown Scottsdale with a major stop at the SkySong node.

City Efforts to Promote Redevelopment and to Attract and Retain Businesses

1. The city should be pro-active in stimulating area revitalization by:
 - Marketing programs to promote the area as a place to live, work and play
 - Recruiting developers and businesses to targeted land uses and industries
 - Improving in the planning processes
 - Exploring regulatory changes (that may include zoning ordinance changes)
 - Considering incentives and rebates
 - Reviewing and reducing certain fees
 - Public investment in infrastructure or projects
2. Funding assistance should not be direct subsidies, but rather it should facilitate redevelopment and attract new development to the area. Financial assistance might include:
 - a. IDA – Industrial Development Authority
 - b. GPLET – Government Property Lease Excise Tax to the extent possible without a Redevelopment designation
 - c. CFD – Community Facilities District
 - d. CDC-Community Development Corporation
 - e. IDB-Improvement District Bond
3. Possible zoning code changes would include the following.

Building Heights:

- 60-70 feet in Focal Core area (McDowell and Scottsdale Road intersection)
 - 48 feet in High-Density Multi-Family area
 - 48 feet in the Employment Corridor
 - 40 feet within the Scottsdale Opportunity and Transit Corridor (OTC)
 - 36 feet in the remaining areas
4. Any height over 36 feet should only be allowed if the parcel size is large enough to alleviate community and neighborhood impacts.

Density:

- Increase floor area ratio (FAR) by right from 0.8 to 2.0.
 - Increase density in Multi-Family and Focal Core Areas from 23 units to 30 units per acre.
 - Parking requirements should be reduced substantially if the development is within 250 feet of the Scottsdale Road Opportunity and Transit Corridor (OTC).
 - For smaller projects (parcels under 22,000 sq ft), create an overlay zone for each district or area that allows site plan and flexibility for all projects and certain intensity and density flexibility by right.
 - Setbacks should be modified to reflect each different zone or area.
5. The Redevelopment Area designation should be eliminated.
 6. The City of Scottsdale should explore modifying the zoning code by creating overlay districts that identify appropriate land uses.

Neighborhood Involvement

1. McDowell revitalization is dependent on the retention of strong adjacent residential neighborhoods.
2. Structures and controls should ensure that commercial areas will be compatible with adjacent neighborhoods.
3. The city should explore neighborhood revitalization strategies that may include:
 - Assisting homeowners in the modernization or rehabilitation of their homes
 - Providing more flexible residential zoning
 - Helping to organize citizen volunteers
4. Unique design guidelines should be developed for the area and, if applicable, sub-areas (i.e. High-density Multi-Family area).
5. A specific cross-departmental staff team should be created. This team would establish a work plan that is reviewed and approved by the City Council annually.
6. Code enforcement should proactively enforce alley and residential visual violations, and should continue to focus on complaint-originated enforcement efforts throughout the residential areas.

7. Special attention by Code Enforcement should be directed to commercial property violations in landscape, lot and building maintenance.
8. Neighborhood connections and emphasis should be a key focal point for revitalization.
9. Pedestrian friendly connections between neighborhoods and the greenbelt should be identified and pursued.
10. Neighborhood identities should be branded for individual neighborhoods to promote a sense of pride and for area marketing efforts.
11. Opportunities to maximize use of school facilities (meeting space, playgrounds) outside of traditional school hours should be explored with the school district.
12. Thomas Road should be considered for landscape enhancements similar to the recently completed improvements made on Indian School Road from Pima Road to Drinkwater Boulevard.

Next Steps

- The City Council shall terminate the Task force and determine appropriate means for the leadership transition to existing bodies to implement any recommendations.
- A specific Planning department staff member should be assigned to lead such efforts.

McDowell Task Force Conceptual Map

